



Los Angeles
Department of
Water & Power

Los Angeles Department of Water and Power
Los Angeles, California 90051-0100

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2006 Green Power Annual Report



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Water & Power



The Green Power program began in 1999, and to date has provided over 492,000 MWh of renewable energy to our customers.

Overview

The Los Angeles Department of Water and Power (LADWP) would like to thank you for supporting the Green Power for a Green LA (Green Power) program. Your participation in the program ensures a cleaner, greener Los Angeles for future generations.

The year 2006 represented the eighth year of operation for the Green Power Program. In 2006, LADWP purchased 62,000 megawatt-hours (MWh) of clean renewable energy. This represents enough electricity needed, on average, to power nearly 10,000 homes for a year,ⁱ eliminating 80 million pounds of CO₂ emissions which is comparable to removing over 7,000 cars from the road for one year.ⁱⁱ

The Green Power program began in 1999, and to date has provided over 492,000 MWh of renewable energy to our customers. The LADWP is continuing its commitment to a clean environment by providing clean renewable energy to the City of Los Angeles.

Green Power Program Revenue and Expenses

The cost for new Green Power is slightly higher than power generated from conventional sources such as coal and natural gas. Since the beginning of the Green Power program, the premium charged to our customers for their participation has been \$0.03/kWh as determined by the Renewable Energy Option (REO) service rider.

In 2006, the Green Power program collected over \$1.8 million in revenues and had a net expenditure of over \$2.5 million to purchase slightly over 62,000 MWh of renewable energy for Green Power customers. A portion of these costs were offset by LADWP's avoided generation costs. More than 90% of the funds expended for the Green Power program were used for the actual purchase of renewable energy.

The program currently has a Cumulative Account balance of \$3.8 million. This balance carried forward will be utilized for renewable energy purchases, projects and activities specifically for the Green Power program.

Statement of Revenue, Other Credits, Expenses

For the Calendar Year Ending December 31, 2006 ⁱⁱⁱ

Participants

Residential consumption (kWh)	29,357,781
Non residential consumption (kWh)	32,713,397
Residential customers	22,860
Non-Residential customers	569

Revenue and other credits

Renewable energy adjustment factor revenue	\$ 1,862,143.44
Total Credits	\$ 1,862,143.44

Expenses

Purchased green power	\$ 4,154,621.00
less: Energy Services avoided cost credit	\$ (1,774,798.00)
Program Administration	\$ 163,311.97
Program Marketing	\$ 17,927.24
Total	\$ 2,561,062.21

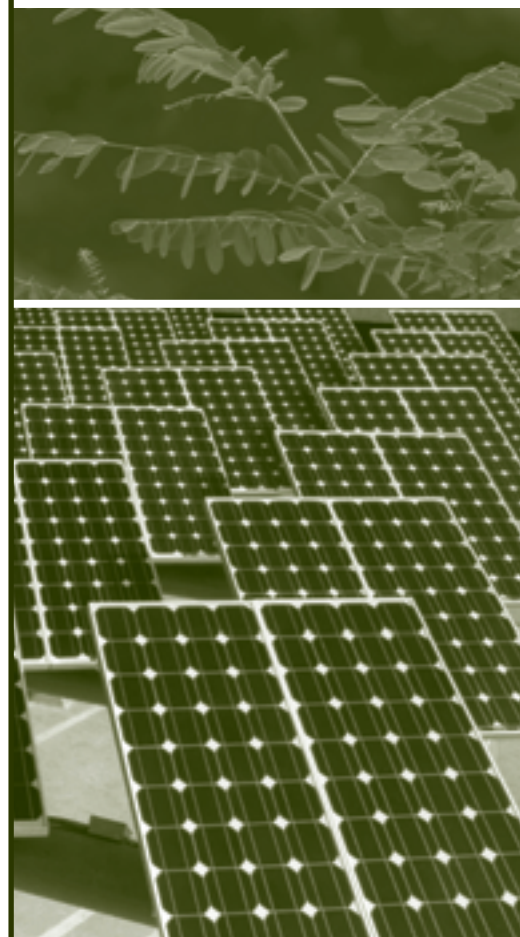
Program operating income \$ (698,918.77)

Additional charge per ordinance \$ 128,053.11

Over/(Under) Recovery of Program Expenses \$ (826,971.88)

Cumulative over-recovery from December 2005 \$ 4,660,601.09

Cumulative over-recovery through December 2006 \$ 3,833,629.21



Year in Review

The Green Power program met customer demand for renewable energy through small hydroelectric (70%) and wind (30%) purchases from the open market, and continues to conduct preliminary engineering for the development of a renewable energy plant within Los Angeles to provide future renewable energy for our Green Power customers.

The Los Angeles Board of Water and Power Commissioners adopted a goal to increase renewable energy sources to 20 per cent of the City's power mix by 2010. In 2006, renewable energy accounted for 7% of LADWP's electricity sales, excluding the Green Power program which is accounted for separately.

Renewable energy that is purchased or developed using funds from the Green Power program is not used for compliance with the LADWP's Renewable Portfolio Standard (RPS). It is important to make clear that all voluntary customer contributions under the Green Power program are and will remain separate from the RPS. Renewable energy purchases or development activities from the Green Power program will provide renewable energy above and beyond any RPS activities. Because of your participation in the Green Power program, the LADWP will be able to increase the percentage of renewable energy used to generate electricity.

Again, we thank you for your continued support of the Green Power program and for your commitment to a cleaner, greener environment.

2006 Power Source Disclosure

The Los Angeles Department of Water and Power (LADWP) is providing the following information as required by the California Energy Commission so that consumers can see at a glance the fuel sources and technologies used to create the electricity products they are offered. The Power Content Label assists consumers in making informed decisions by providing a uniform way for all electric service providers to deliver clear and accessible information on their existing and new electricity products.

POWER CONTENT LABEL

Annual Report of Actual Electricity Purchases for LADWP Calendar Year 2006

ENERGY RESOURCES	LADWP Power* (actual mix)	LADWP Power** (projected mix)	LADWP Green Power** (actual mix)	LADWP Green Power (projected mix)	2006 CA POWER Mix*** (for comparison)
Eligible Renewable****	7%	6%	100%	100%	5%
-Biomass & waste	1%	1%	<1%	<1%	<1%
-Geothermal	1%	<1%	<1%	<1%	4%
-Small hydroelectric	5%	4%	70%	<1%	<1%
-Solar	<1%	<1%	<1%	<1%	<1%
-Wind	<1%	1%	30%	100%	<1%
Coal	47%	48%	-	-	29%
Large Hydroelectric	8%	6%	-	-	31%
Natural Gas	30%	30%	-	-	35%
Nuclear	8%	10%	-	-	0%
Other	<1%	<1%	-	-	0%
TOTAL	100%	100%	100%	100%	100%

* 86% of **LADWP Power** is specifically purchased from individual suppliers.

** 100% of **LADWP Green Power** is specifically purchased from individual suppliers.

*** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

**** In accordance with Los Angeles City Council's action on 10-5-04 for File No. 03-2688 (RPS).

For specific information about this electricity product, contact LADWP at 1-800-DIAL-DWP. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or www.energy.ca.gov/consumer.

Endnotes

- i LADWP average residential household uses approximately 6 MWh of electricity per year.
- ii CO₂ emission reductions from the Green Power program are estimated using LADWP's 2005 California Climate Action Registry report of electricity delivers metric (1,303.58 CO₂ lbs/MWh) that was certified in March 2007. The average vehicle emits 11,450 pounds of CO₂ annually (Source: U.S. EPA)
- iii Financial Statement provided by LADWP's Financial Services Organization in accordance with reporting requirements contained in the Renewable Energy Option enabling ordinance.

